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C39MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA
March 1972

Volume 16

Number 8

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J. E. Bobo, Market Administrator
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MARKET SUMMARY - MARCH 1972

MAY 2 1972

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6 35 and Excess Milk - \$5 04. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 3 cents and 23 cents respectively above March 1971.

In March 1972, 57.7% of the producer milk received by pool plants was priced in Class I at \$7.12 per cwt. and 42.3% was priced in Class II at \$5.04 per cwt. The March butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received during March 1972 was 38,447,760 pounds which is an increase of 5,723,670 pounds or 17.5% compared with March 1971. Deliveries of producer Base milk exceeded producer milk used in Class I by 12,829,324 pounds or percentagewise only 63.4% of Base milk was used in Class I. The March daily average deliveries from 754 producers was 1,645 pounds. This compares to 693 farms delivering a daily average of 1,523 pounds per day during March 1971.

ADVERTISING PROGRAM - OTHER FEDERAL ORDERS

The U. S. Department of Agriculture has approved the addition of advertising and promotion plans to the Chicago Regional and Indiana Federal Milk Marketing orders provided two-thirds of the dairy farmers affected approve. Advertising research and promotion of milk under a Federal Milk Order was authorized by a 1971 amendment to the Agricultural Marketing Agreement Act. The Act provides for the establishment of research and development projects, and advertising (excluding brand advertising), sales promotion, educational, and other programs designed to improve or promote the domestic marketing and consumption of milk and its products.

The new plan, if adopted for the Chicago Regional and Indiana orders, would be funded by an assessment of 5 cents a hundredweight on all milk that producers deliver to each market each month, before returns are paid out to producers. Quarterly refunds would be made to any producer not wishing to participate.

A milk advertising and promotion program was approved by dairy farmers for the New York Order area. It will become effective on May 1, 1972. An Advisory Board of milk producers will be appointed to advise and assist in the administration and development of this promotion program funded by an assessment of 5 cents per hundredweight on milk delivered by producers each month. The New York Dairy Promotion Order, if not amended or otherwise voted upon within a period of three years from May 1, 1972, must be resubmitted to milk producers for their approval.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Mar. '72			
	Over	Mar.	Feb.	Mar.
	Mar. '71	1972	1972	1971
Number of Plants - Pool		6	7	6
- Non-Pool		15	14	13
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+17.5	1,240,250	1,229,329	1,055,616
Other Source	+71.1	49,185	47,906	28,751
Other Federal Orders	+49.3	127,228	119,736	85,207
TOTAL MILK RECEIPTS	+21.1	1,416,663	1,396,971	1,169,574
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 4.1	443,180	461,833	425,605
Skim	+ 2.6	22,012	22,170	21,460
2% Milk	+17.9	138,562	141,784	117,556
Buttermilk	+12.3	58,703	59,048	52,273
Flavored Milk and Drink	+27.0	20,167	20,431	15,879
Creams (Sweet and Sour)	+16.9	3,737	3,625	3,198
Yogurt	-10.7	658	744	737
Sub-Total - Pkg. Products (Pool Plants)	+ 7.9	687,019	709,635	636,708
Other (Shrinkage, Inventory, etc.)		3,593	624	2,615
Sales to Non-Pool Plants		68,201	51,653	82,877
In-Area Sales by Non-Pool Plants	- 6.9	45,615	49,914	48,992
TOTAL CLASS I MILK	+ 4.3	804,428	811,826	771,192
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	- 3.6	54,447	56,180	56,497
Cottage Cheese	- 2.5	49,904	42,268	51,192
Powdered and Condensed Milk		7,029	9,509	-0-
Livestock Feed and Milk Dumped		9,433	6,593	7,255
Sub-Total - Used to Produce	+ 5.1	120,813	114,550	114,944
Shrinkage Class II		14,894	13,928	16,308
Other (Inventory Variation, etc.)		636	(8,158)	(7,660)
Bulk Sales to Non-Pool Plants		475,892	464,825	274,790
TOTAL CLASS II MILK	+53.7	612,235	585,145	398,382
Class I Pkg. Lbs. In Area - Pool Plants	+ 4.4	508,822	527,284	487,588
Class I Pkg. Lbs. Out of Area-Pool Plants	+19.5	178,197	182,351	149,120
Class I Pkg. Lbs. In Area - Non-Pool Plants	- 6.9	45,615	49,914	48,992
% Producer Milk of Gross Class I		154.2	151.4	136.9
% Producer Milk Priced in Class I		57.7	58.3	67.1

CLASS I PACKAGED ITEMS-POOL PLANTS 1/
MARCH 1972

	Butterfat	Total	% of
	Av. Test	Pounds	Total
Homo	3.77%	13,738,576	64.51
2% Milk	2.01	4,295,437	20.17
Buttermilk	.58	1,819,782	8.55
Skim	.53	682,375	3.20
Flavored	2.05	625,170	2.93
Half-Half	11.64	58,673	.27
Whip Cream	35.83	12,848	.06
Sour Cream	19.34	31,525	.15
Cream Dips	19.17	12,809	.06
Yogurt	1.49	20,410	.10
Total	3.06%	21,297,605	100.00%

Five Largest Volume Items
by Container Size - Pool
Plants - March 1972

Container	Pounds	%
Gallons	12,480,781	58.98
½ Gals	4,996,351	23.61
Quarts	854,274	4.04
Pints	948,570	4.48
10 Oz.	200,164	.95
½ Pts.	1,681,200	7.94
Total	21,161,340	100.00%

1/ See March 1971 Bulletin
for comparisons.

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

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March 1972	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		24,937,275	3.109		
Less Other Source		2,743,134	2.575		
Producer Milk Class I	57.7	22,194,141	3.175460	\$6.857123	\$1,521,879.55
Gross Class II		18,979,288	4.553		
Less Other Source		2,725,669	3.117		
Producer Milk Class II	42.3	16,253,619	4.793923	6.049260	983,223.67
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	38,447,760	3.859658		\$2,505,103.22
Less Fractional Adjustment					.20
Add Value of Inventory Reclassified		309			6.32
Add Value of Class I Other Source and Producer Location Adjustment		4,058	0.00		3,300.95
Add 1/2 Producer-Settlement Fund Reserve					15,128.82
TOTAL VALUE AT TEST		38,451,818	3.859251	\$6.562860	\$2,523,539.11
Less Test over 3.5% @ 8.0¢ per point		38,451,818	.359251	0.287401	110,510.91
TOTAL UTILIZATION VALUE AT 3.5%		38,451,818	3.5	\$6.275459	\$2,413,028.20
Less Reserve per \$1090.71 (f)		38,451,818		.045459	
WEIGHTED AVERAGE PRICE - 3.5% TEST		38,451,818	3.5	\$6.23	
Less FMP from Unregulated Supply Plants Allocated to Class I @ Wt. Av. Price		4,058		\$6.23	252.81
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		38,447,760			\$2,412,775.39

BASE AND EXCESS PRICES

	Milk Pounds	Cwt. Price @ Test	Amount	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	38,447,760			\$2,412,775.39
Excess Producer Milk Used in Class I	-		--	
Excess Producer Milk Used in Class II	3,424,295	\$5.04	\$172,584.47	
UNIFORM EXCESS PRICE - 3.5% TEST	3,424,295	5.04		172,584.47
Total Value of Base Milk	35,023,465	6.396257		\$2,240,190.92
Less Producer-Settlement Fund Reserve	35,023,465	0.6257		16,200.80
UNIFORM BASE PRICE - 3.5% TEST	35,023,465	\$6.35		\$2,223,990.12

MARCH 1972 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$5.95	\$4.64	4.0	\$6.75	\$5.44	5.0	\$7.55	\$6.24
3.05	5.99	4.68	4.05	6.79	5.48	5.05	7.59	6.28
3.1	6.03	4.72	4.1	6.83	5.52	5.1	7.63	6.32
3.15	6.07	4.76	4.15	6.87	5.56	5.15	7.67	6.36
3.2	6.11	4.80	4.2	6.91	5.60	5.2	7.71	6.40
3.25	6.15	4.84	4.25	6.95	5.64	5.25	7.75	6.44
3.3	6.19	4.88	4.3	6.99	5.68	5.3	7.79	6.48
3.35	6.23	4.92	4.35	7.03	5.72	5.35	7.83	6.52
3.4	6.27	4.96	4.4	7.07	5.76	5.4	7.87	6.56
3.45	6.31	5.00	4.45	7.11	5.80	5.45	7.91	6.60
3.5	6.35	5.04	4.5	7.15	5.84	5.5	7.95	6.64
3.55	6.39	5.08	4.55	7.19	5.88	5.55	7.99	6.68
3.6	6.43	5.12	4.6	7.23	5.92	5.6	8.03	6.72
3.65	6.47	5.16	4.65	7.27	5.96	5.65	8.07	6.76
3.7	6.51	5.20	4.7	7.31	6.00	5.7	8.11	6.80
3.75	6.55	5.24	4.75	7.35	6.04	5.75	8.15	6.84
3.8	6.59	5.28	4.8	7.39	6.08	5.8	8.19	6.88
3.85	6.63	5.32	4.85	7.43	6.12	5.85	8.23	6.92
3.9	6.67	5.36	4.9	7.47	6.16	5.9	8.27	6.96
3.95	6.71	5.40	4.95	7.51	6.20	5.95	8.31	7.00

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Mar. '71	\$6.21 2/	\$6.32	\$4.81	8.2¢	\$6.98	8.4¢	\$4.81	8.0¢
Apr.	6.04 2/	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	5.95 2/	6.09	4.76	8.0	6.92	8.1	4.76	7.8
July	5.95 2/	6.09	4.77	8.0	6.91	8.1	4.77	7.8
Aug.	5.92	-	-	8.0	6.92	8.1	4.77	7.8
Sept.	6.30	-	-	8.0	6.92	8.1	4.83	7.8
Oct.	6.35	-	-	8.0	6.98	8.2	4.82	7.8
Nov.	6.25	-	-	8.0	6.97	8.2	4.84	7.8
Dec.	6.20	-	-	8.0	6.99	8.2	4.93	7.8
Jan. '72	6.22	-	-	8.0	7.08	8.2	4.97	7.8
Feb.	6.20	-	-	8.0	7.08	8.1	4.97	7.8
Mar.	6.23 2/	6.35	5.04	8.0	7.12	8.1	5.04	7.8
Apr.	-	-	-	-	7.12	8.1	-	-
May	-	-	-	-	7.19	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi. 92 ^o Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Class I		Class II	
	¢ Lb.	¢ Lb.	Cwt -3.5%	Pounds	Test -%	Pounds	Test -%
Mar. '71	69.78	27.21	\$4.81	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	751,952	3.18	604,745	4.25
June	67.78	31.55	4.76	696,375	3.19	545,571	4.27
July	67.78	31.63	4.77	693,356	3.22	543,645	4.25
Aug.	67.78	31.53	4.77	632,385	3.22	510,832	4.28
Sept.	68.13	31.63	4.83	872,513	3.28	336,032	4.84
Oct.	67.95	31.70	4.82	844,555	3.25	341,121	5.26
Nov.	67.94	31.61	4.84	795,557	3.28	407,740	5.22
Dec.	67.96	31.63	4.93	746,539	3.28	462,124	5.19
Jan. '72	67.79	31.31	4.97	736,232	3.25	488,801	5.16
Feb.	67.78	31.41	4.97	717,023	3.23	512,306	5.07
Mar.	67.78	31.44	5.04	715,940	3.18	524,310	4.79

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test -%	Farm
Mar. '71	19	1,169,574	771,192	6	693	1,055,616	980,583	3.95	1,523
Apr.	20	1,411,347	812,400	7	854	1,285,962	1,142,972	3.74	1,506
May	20	1,489,326	810,302	7	890	1,356,697	1,167,808	3.66	1,524
June	20	1,346,798	746,820	7	886	1,241,946	1,117,489	3.67	1,402
July	21	1,372,089	791,680	8	905	1,237,001	1,109,761	3.67	1,367
Aug.	20	1,286,252	724,933	7	792	1,143,217	-	3.69	1,443
Sept.	20	1,356,381	967,949	7	789	1,208,545	-	3.71	1,532
Oct.	20	1,334,666	943,324	7	789	1,185,676	-	3.83	1,503
Nov.	20	1,366,329	899,192	7	767	1,203,297	-	3.94	1,569
Dec.	21	1,376,893	838,001	7	767	1,208,663	-	4.01	1,576
Jan. '72	21	1,395,476	827,841	7	765	1,225,033	-	4.01	1,601
Feb.	21	1,396,971	811,826	7	761	1,229,329	-	4.00	1,615
Mar.	21	1,416,663	804,428	6	754	1,240,250	1,129,789	3.86	1,645

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I